

Barron County Accounts Payable Policy

Purpose

The purpose of the Accounts Payable Policy is to provide consistent procedures for the accounts payable process in Barron County. These procedures are intended to provide safeguards for maintaining the quality and integrity of the accounts payable system.

Purchases

1. All purchasing activity is expected to comply with departmental budget availability and established budget procedures.
2. Departments are expected to always seek the most cost-effective goods and services that meet departmental needs. Departments should anticipate needs so as to purchase in sufficient quantities to lower unit costs while avoiding waste due to over-stocking or pilferage.
3. Competition for county business is critical to cost-effective purchasing. However, the amount of staff time and effort required to complete a purchase should be based on the total cost of the purchase. A smaller amount of time, effort, and paperwork should be expended for low dollar purchases than for high dollar purchases and considerable time, effort, and paperwork is normal for larger purchases.
4. The County of Barron is exempt from Wisconsin sales tax. Departments are expected to take active measures to communicate this exemption to all vendors and provide a sales tax exemption certificate when needed to complete a tax-exempt transaction.
5. County employees involved in the purchasing function must refrain from accepting gifts, gratuities or offers from any individual, company, or business establishment that is a current or prospective vendor. Offers may include, but are not limited to money, entertainment, gifts, favors, loans, or promises of employment. Any such offers should be politely declined, and any offers of significant value that could be construed as an attempted bribe are to be immediately reported to one's supervisor.
6. County employees involved in the purchasing function must refrain from all indications or appearance of conflict of interest. A conflict of interest arises when a purchase of goods or services would result in the employee or any

member of the employee's family realizing a financial gain. The employee shall report all potential or actual conflicts of interest to the County Administrator and remove themselves from the decision making process.

Vendors

1. Parties seeking to obtain qualified vendor status with the County of Barron must complete and return Form W-9: Request for Taxpayer Identification Number and Certification. Said form shall be submitted to the Finance Department.
2. Upon receipt of the W-9, the Finance Department creates a new vendor in the county financial record keeping system which assigns a unique vendor number to the vendor. Only vendors who provide the correct documentation will be paid by Barron County.
3. The appointed County Auditors will oversee the process of all additions, changes, and deletions to the vendor file on a monthly basis.
4. W-9's will not be required for completed jurors, witnesses, refunds, or restitution.
5. Employee reimbursements are paid through the payroll process and are not part of the accounts payable function.

Vendor Payments

It is the policy of Barron County to pay all legally incurred obligations in a timely and efficient manner following approval from the Department Head and County Administrator.

Payment Cycles

1. Disbursements to vendors will be by check or automated clearing house (ACH) in accordance with the Accounting Check Run Calendar as developed annually by the Finance Department.
2. Generally, checks and/or ACH's will be disbursed by the Barron County Treasurer on Friday of each week. If a holiday or other non-work day falls on a Friday, Barron County reserves the right to disburse funds the next regularly scheduled business day.
3. It shall be the policy of Barron County that all vendor checks are mailed from the Treasurer's Office and may not be picked up by the vendor. In

special circumstances, the check may be returned to individual county departments for further disbursement upon Treasurer approval.

4. Generally, payments are made according to the vendor's stated terms (as identified on the purchase order or as stated on the vendor's bill or invoice) or as provided by Wisconsin State Statute 66.0135 (30 days), whichever allows for the greatest timeframe for making payment, previously approved schedules, or previously entered into contractual agreement terms as indicated on the purchase order or billing invoice.
5. Barron County will not accept and will not process payment invoices received prior to the date of delivery for the goods or services in question. In extreme or rare circumstances, the Administrator or designee may approve payments occurring in advance of the receipt of goods or services.
6. Barron County reserves the right to refuse or delay payment as allowable under Wisconsin State Statutes for improperly completed invoices which set forth inadequate or incomplete documentation. In such cases, the vendor shall be notified within 10 working days after the receipt of the invoice, with the notice stating the reason that the invoice is improperly completed.
7. Upon receipt of the properly completed invoice, payment shall be made as set forth above.

Invoices

1. Payments are to be made on invoices received from vendors. Payments are not to be made based on statements or quotes from vendors.
2. Invoices can be received through US mail, email, or fax. Invoices sent via email should be attached as a PDF.
3. Invoices should be sent to the appropriate office for which the goods or service was provided, or emailed directly to the Finance Department at finance@co.barron.wi.us.
4. Invoices shall include: name, address, email address, primary contact and phone number of the vendor.
5. Invoices shall be sufficiently clear to indicate the product or service purchased by Barron County along with payment terms and where to send the payment.

6. Invoices shall be submitted within 30 days from the date of provision of goods or services.
7. Invoices other than DHHS and Highway are due to the Finance Department by Tuesday at 4:00 pm to be processed that same week. Invoices received by the Finance Department after the deadline will be processed the next week.

Credit Balances

1. When a product is returned, vendors may issue a credit balance to be used against future purchases. County employees should monitor statements received from the vendor to ensure the credit has been applied.
2. Unless the credit is to be used in the very near term, it is recommended that the vendor issue a refund check for the balance.

DHHS Invoice Processing/Payment Uploads

1. Invoices regarding purchases or client needs are managed by the case worker or office staff. All invoices are approved by the various Program Managers.
2. Invoices are sent to Finance on a weekly basis.
3. Finance staff review the invoices and then enter the invoices into Infosys, the DHHS client tracking software. A file is created in Infosys to be uploaded into the Alio Financial Accounting Software.
4. Finance staff that create the Infosys file are separate from staff uploading and reconciling the file in Alio.
5. Staff who upload the DHHS Infosys file into Alio are to sign the departmental line on the corresponding voucher jacket.
6. Finance staff will record and reconcile all weekly batches. Once completed, all batches will be posted and checks will be ready to print.
7. Voucher jackets with summary detail are sent back to the DHHS Director for approval. The DHHS Director signs the voucher jacket.

Highway Invoice Processing/Payment Upload

1. Invoices regarding Highway purchases are managed by various staff at the Highway Department. The Highway Commissioner reviews and initials each invoice before processing.

2. Highway invoices are due to Finance each Monday by 4:00 pm to be processed that same week.
3. Finance staff review the invoices and enter them into CHEMS, the Highway tracking software.
4. Finance staff that create the CHEMS file are separate from staff uploading and reconciling the file in Alio.
5. Staff who upload the CHEMS file into Alio are to sign the departmental line on the corresponding voucher jacket.
6. Finance staff will record and reconcile all weekly batches. Once completed, all batches will be posted and checks will be ready to print.

Invoice Processing Procedure

1. When invoices are received by the department, the documents and products shall be checked that all items have been received/service has been completed.
2. Invoices should be kept together in a centralized folder until payment processing.
3. Before processing an invoice for payment, the following is to be verified:
 - a. Correct vendor name and address
 - b. General ledger account to charge is correct
 - c. Enclosures are attached, if appropriate
 - d. Timely submission to insure timely payment
 - e. Payment is made from an invoice – not a quote or statement
 - f. Partial receiving orders match the invoice
 - g. All support documentation to the invoice is attached
 - h. Invoice has not already been paid
4. Invoices must be approved by the department head or an employee who has been given authority by the department head to approve before processing can occur. Approved invoices must contain the signature of the approver (electronic signature if using the Laserfiche purchase order system).
5. Approved invoices are entered/uploaded into the Alio Financial Accounting System by either Finance Department or departmental fiscal staff.

6. Staff who enter/upload the invoices into Alio are to review each invoice and sign the departmental line on the corresponding voucher jacket. Uploads will create an electronic record.
7. Finance staff will record and reconcile all weekly batches. Once completed, all batches will be posted and checks will be ready to print.
8. Checks will be printed according to the Accounting Check Run Calendar. Checks must be printed by staff other than who entered accounts payable batches into the Alio Financial Accounting System. The person printing the checks prepares the Posi-pay file, uploads the file to the working bank, and completes the final post to the general ledger.
9. All checks are submitted to the County Treasurer's Office with the corresponding check register. The Treasurer's Office verifies the checks to the register before preparing the checks to be mailed. Checks are mailed according to the Accounting Check Run Calendar.
10. All invoices and vouchers are submitted to the Department of Administration for final approval by the County Administrator. In the Administrator's absence, the Finance Director or County Auditors will perform the final approval.
11. When using the Laserfiche purchase order system, Administrative approval is completed electronically before the payment is processed in Alio.
12. A master listing of all vouchers is provided at monthly oversight committee meetings. This listing includes date, vendor, amount and explanation of the purchase. Individual vouchers are available for oversight committee review upon request.
13. Each month, an accounts payable audit is performed. A County Auditor selects 10 random vouchers and reviews for accuracy, legitimacy, proper approval, and W-9 information. Findings of this review are presented to the Executive Committee on an annual basis.

Segregation of Duties

1. Purchasing staff is separate from staff who process invoices in the Alio Financial Accounting System.
2. County Auditors oversee the vendor database and perform monthly reviews of additions and changes. Staff maintaining the vendor database are separate from those who print checks.

3. Staff who process A/P batches in the Alio Financial Accounting System are separate from staff who print the checks and upload payment information to the working bank.
4. Processing/check printing staff are separate from staff who verify the checks and check register, and prepare the checks for the mail.
5. Staff who participate in the Accounts Payable process are separate from staff who complete the bank reconciliation process. (Treasurer and Finance Director)
6. Staff maintaining the general ledger (Finance Director) is separate from staff managing the county checking account (Treasurer).
7. The approval process includes program managers, department heads, A/P processing staff, and County Administrator. The oversight committees also have a final review of monthly edit lists.

1099 Procedures

1. Each January the Finance Department is required to send a 1099 statement to vendors that have been paid more than \$600 in the calendar year per the IRS. In January this file is transmitted to the Internal Revenue Service.
2. Corporations are exempt from these requirements unless they are medical for-profit institutions.
3. Fees paid to attorneys are always 1099 reportable.
4. The Tax Identification Number (TIN) and name provided to Barron County on the W-9 must agree with information the vendor has supplied to the Internal Revenue Service. Reporting information using a different TIN and/or vendor name than provided to the IRS is not allowed and may result in a 30% withholding tax.
5. B Notices will be sent if incorrect information has been provided.

Other

1. Day to Day interpretation of this policy shall be at the discretion of the County Administrator and Finance Director.

Approved by Executive Committee 10/30/19